CANADA · PRINCE EDWARD ISLAND
Crop Insurance

ANNUAL REPORT
1983-84

PRINCE EDWARD ISLAND
CROP INSURANCE AGENCY

Agriculture Canada
Government of Prince Edward Island

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PHONE 892-4101

PRINCE EDWARD ISLAND

CROP INSURANCE AGENCY

The Honourable Prowse Chappell
Minister of Agriculture
Dept. of Agriculture
P.O. Box 2000
Charlottetown
Province of Prince Edward Island

Dear Sir:

I have the honour of submitting herewith the Annual Report of the Canada-Prince Edward Island Crop Insurance Agency.

This report includes a brief summary of operations and the audited Financial Statements for the fiscal year ending March 31,1984.

Respectfully Submitted,

Ronald B. McInnis
Manager
Prince Edward Island
Crop Insurance Agency

1983-84 ANNUAL REPORT

OF

THE CROP INSURANCE AGENCY OF P.E.I.

FOR THE FISCAL YEAR ENDING MARCH 31, 1984

BOARD MEMBERS

Edward Fitzpatrick	-	Chairman
Raynall MacNeill	-	Secretary
George Walsh	-	Member
Fred McCardle	-	Member
John Kanters	-	Member

OFFICE STAFF

Ronald B. McInnis	-	Manager
Jean Morrison	-	Accountant
Gloria Dalziel	-	Secretary
Scott MacPhail	-	Technician

FIELD STAFF

Holland Cahill	-	Tignish
Clarence Ross	-	Bonshaw
John Fitzpatrick	-	Sherwood

The Prince Edward Island Crop Insurance Agency is a Crown Corporation of the Province of Prince Edward Island under the authority of the Minister of Agriculture.

OBJECTIVES OF THE AGENCY

(a) The objectives of the Agency are to make available to Prince Edward Island Farmers, a comprehensive all-risk Crop Insurance Plan, which in years of crop losses will return to the farmer his cost of production.

(b) Offer protection against crop loss caused by all natural hazards from date of seeding to the final harvest date.

RESPONSIBILITIES

1. Administration of the Crop Insurance Act.
2. Administration of Crop Insurance Plans, established by regulations, including the function of selling, underwriting, claims adjusting and accounting.
3. Conducting surveys and research programs relating to Crop Insurance.
4. Train staff to maintain a high degree of efficiency of operation.

FINANCIAL PARTICIPATION

The Government of Canada provides financial assistance to the Canada-Prince Edward Island Crop Insurance Program by contributing fifty percent of the total premium required each year. The Federal Government's contribution to this program totalled $1,134,341.60 for 1983-84.

The Government of Prince Edward Island contributes all of the administration costs, totalling approximately $202,567.16 for the year 1983.84.

P.E.I. CROP INSURANCE PROGRAMS FOR 1984

PLANS AVAILABLE	COVERAGE AVAILABLE	UNIT PRICE	PREMIUM
1. Potatoes	75%	3¢, 3.5¢, 4¢, 4.5¢ per pound	10%
2. Spring Grains	75%	5¢, 6¢, and 7¢ per pound	10%
3. Field Peas	75%	5¢, 6¢, and 7¢ per pound	10%
4. Corn	75%	$12.00 per ton	10%
5. Tobacco	80%	90% of last two years average	5.6%
6. Cole Crops	80%	90% of last two years average	12%
7. Processing Peas	$264.00	per acre	$31.68 per acre
8. Cabbage	70%	$2.50 per bushel	9.5%
9. Rutabagas	80%	$1.15 per bushel	12.8%
10. Strawberries	up to $1200.00	per acre	9.2%

1983 CROP SUMMARY

CROPS	CONTRACTS	ACRES	PREMIUM	COVERAGE
POTATOES	422	24,264	1,724,895	15,784,089
GRAIN	171	11,804	136,352	1,416,166
TOBACCO	65	3,911	371,512	7,006,379
CORN	6	139	1,722	17,217
RUTABAGAS	20	105	5,935	41,802
COLE CROPS*	21	212	15,241	194,852
STRAWBERRIES	7	60	4,204	50,850
PROCESSING PEAS	4	342	9,662	99,848
FIELD PEAS	1	25	255	2,835
TOTALS	717	40,862	2,269,778	24,614,038

* Broccoli
Brussel Sprouts
Cauliflower
Cabbage

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

FINANCIAL STATEMENTS

MARCH 31, 1984

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

AUDITOR'S REPORT

To the Board of Directors of the
Prince Edward Island Crop Insurance Agency

I have examined the balance sheet of the Prince Edward Island Crop Insurance Agency as at March 31, 1984 and the statement of income for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Agency as at March 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

T. Kaptein, C.A.
Auditor General

Charlottetown, Prince Edward Island
July 20, 1984

STATEMENT 1

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

BALANCE SHEET

MARCH 31, 1984

(with comparative figures at March 31, 1983)

ASSETS

	1984	1983
Current Assets		
Cash	$ 66,744	$ 107,464
Accounts Receivable	4,941	-
Interest Receivable	124,674	29,981
Deposit Receipts - Province of P.E.I.	1,210,000	400,000
	$1,406,359	$ 537,445

LIABILITIES AND SURPLUS

Current Liabilities		
Accounts Payable	$ 2,320	$ 28,944
Indemnities Payable	85,802	37,419
Deferred Revenue	3,832	8,204
	91,954	74,567
Surplus		
Balance, Beginning of Year		
As previously reported	462,878	1,159,412
Prior period adjustment (Note 4)	-	(20,480)
As restated	462,878	1,138,932
Income (Loss) for the Year	851,527	(676,054)
Balance, End of Year	1,314,405	462,878
	$1,406,359	$ 537,445

(Notes 1 to 4 are an integral part of these financial statements)

ON BEHALF OF THE BOARD:

DIRECTOR: Edward [illegible]

DIRECTOR: Raynall MacNeill

STATEMENT 2

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

STATEMENT OF INCOME

FOR THE YEAR ENDED MARCH 31, 1984

(with comparative figures for the year ended March 31, 1983)

	1984	1983
Income		
Insurance Premiums	$1,134,582	$ 980,007
Federal Contributions - Note 2	1,133,489	980,714
Provincial Appropriation - Note 3	202,567	186,401
Interest	138,922	184,586
	2,609,560	2,331,708
Expenses		
Indemnities - Schedule 1	1,555,466	2,821,361
Administrative Expenses - Note 3	202,567	186,401
	1,758,033	3,007,762
Income (Loss) for the Year	$ 851,527	$ (676,054)

(Notes 1 to 4 are an integral part of these financial statements)

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1984

1. Appeal Board

By Order-In-Council No. EC220/80 dated March 13, 1980 an Appeal Board was established pursuant to Section 24 of the Crop Insurance Act Regulations. As of June 5, 1984 one appeal totalling $8,565.00 has been granted by the Appeal Board affecting the fiscal year ended March 31, 1984.

2. Federal Contributions

The Government of Canada contributes amounts on a quarterly basis to match the premium income paid by insured farmers.

3. Provincial Appropriation - Administrative Expenses

The Administrative Expenses were appropriated by the Province of Prince Edward Island and paid through the Department of Agriculture on behalf of the Crop Insurance Agency.

Administrative Expenses	1984	1983
Salaries	$174,040	$155,208
Travel	19,636	19,444
Supplies and Administration	4,901	6,634
Fees - Board Members	3,990	4,938
Equipment	-	177
	$202,567	$186,401

4. Adjustments resulting from the Federal Government's audit of the 1981-82 fiscal year amounted to $20,480. This amount has been charged to the prior year's revenue and the surplus has been restated.

SCHEDULE 1

PRINCE EDWARD ISLAND CROP INSURANCE AGENCY

COMPARATIVE SCHEDULE OF PREMIUMS AND INDEMNITIES BY PROGRAM

AS AT MARCH 31, 1984

	Surplus (Deficit) Beginning	Premiums	Indemnities	Surplus (Deficit) Ending
Potatoes	$(540,227)	$1,723,591	$1,355,750	$ (172,386)
Tobacco	707,471	371,195	-	1,078,666
Grain	233,814	136,185	167,355	202,644
Cole Crops	(182,885)	15,328	27,179	(194,736)
Rutabagas	(10,394)	5,915	3,061	(7,540)
Processing Peas	70,466	9,592	-	80,058
Corn	(3,215)	1,721	1,512	(3,006)
Other	(5,061)	4,544	609	(1,126)
	$ 269,969	$2,268,071	$1,555,466	$ 982,574
			Non-Operating Surplus	331,831
			Surplus	$1,314,405

Note: During the fiscal year ended March 31, 1975 the Province of P.E.I. appropriated sufficient funds to cover the loss on operations to that date, after major changes were made in the cost sharing agreement between the Government of Canada and the Province of P.E.I. Therefore, the cumulative figures for premiums and indemnities begin with the 1975 crop year.

The beginning surplus includes appropriations of $1,148,321 in 1979 and $900,000 in 1980. These appropriations were made to eradicate deficits not expected to be offset by future operating profits. They are allocated to crops by the ratio of their deficit at that time to the gross deficit.